

Washington, DC

September 28, 2004

I. Introduction

Mr. Chairman, and members, I am pleased to appear before the Senate Committee on Homeland Security and Governmental Affairs today to discuss the impact of identity theft on our country. In the past few years, identity theft has become a major problem for individuals and businesses alike. (1) According to the Federal Bureau of Investigation, the number of identity theft incidents reported in 2003 increased by 15 percent over the previous year. This trend is expected to continue as the use of the Internet and other digital technologies grows. (2) The impact of identity theft is far-reaching, affecting not only the victims' financial well-being but also their credit ratings and ability to obtain loans and services. (3) It is therefore essential that we take steps to protect our citizens and businesses from this growing threat.

II. Understanding the Impact of Identity Theft

Over the past few years, the impact of identity theft has become increasingly apparent. (1) Every year, millions of Americans are affected by identity theft, with the number of victims rising steadily. (2) The impact of identity theft is not limited to the immediate financial loss suffered by the victim; it can also have long-term effects on their credit and ability to obtain loans and services. (3) For example, a victim of identity theft may find it difficult to obtain a mortgage or a car loan, as lenders may view them as a high-risk borrower. This can have a significant impact on their financial stability and quality of life. It is therefore essential that we take steps to protect our citizens and businesses from this growing threat.

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